

**Centers for Medicare and Medicaid Services  
Expansion Application  
Suggested Format**

**PROGRAM OF ALL-  
INCLUSIVE CARE FOR THE  
ELDERLY  
(*PACE*)**

**Department of Health and Human Services  
Centers for Medicare and Medicaid Services  
Center for Beneficiary Choices  
Center for Medicaid and State Operations**

**October 2004**

# **PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE)**

## **INTRODUCTION**

### PREPARATION OF THE APPLICATION

This computer-assisted format is for IBM compatible personal computers using MS Word 97 or later. Please see the technical instructions included within this application for working on the application. The attached application form is a suggested format for complying with the regulations; other formats will be accepted. However, to assure consistent information from applicants and an efficient review process, you are encouraged to use these forms.

### REFERENCE MATERIALS

Information requested in this application is based on Sections 1894 and 1934 of the Social Security Act, as added by P.L. 105-33, and the regulations at 42 CFR Part 460.2 - 460.210.

NOTE: It is the responsibility of the PACE organization and the State Administering Agency to validate the information contained in each application.

## GENERAL INSTRUCTIONS

To clarify any question, refer to the regulation upon which it is based. A regulatory citation is provided at each question.

A completed application includes:

1. Cover Sheet with the appropriate signatures
2. Table of Contents for the Narrative part
3. Table of Contents for Documents part
4. Narrative part, with each question copied and brief and precise answers, divided into chapters
5. Documents part, arranged by chapters; this part should follow the Narrative. Materials such as marketing brochures and booklets should be inserted in envelopes in the appropriate places in the application. The envelope should be numbered as a single page.

Number all pages consecutively from the Narrative through the entire Documentation part. Use a page number when referring to any document. If pages must be inserted after numbering has been completed, additional pages may be noted by A, B, C, etc.

TABLES: Within the application, you will be directed to place tables in specific places within the Narrative chapters. For those using the computerized application, placement will be automatic; otherwise, you may insert the tables at the end of each chapter. Include the completed tables as separate files on the diskette you will be submitting.

PRINTING AND BINDING: Both sides of the page should be used. Tabs should be inserted for each chapter of the Narrative and Documents parts. Each copy should be put in three-ring looseleaf binders. A typical application is two three-inch binders.

NUMBER OF COPIES: Send 7 hard copies and 3 diskette copies of your application to the State Administering Agency in addition to the numbers of copies required by the State agency.

ASSISTANCE: Assistance is available to all applicants in the preparation of this application. You may call Ms. Terry Pratt at 410-786-5831 at the Centers for Medicare and Medicaid Services.

## TECHNICAL INSTRUCTIONS

Using the computer assisted format, you will need only to fill in responses in the Narrative part and the applicable tables. For the Documents part, you will need to assemble the documents as directed within the application form and General Instructions. The Documents part does not have a computer assisted format.

SYSTEM REQUIREMENTS: An IBM or compatible personal computer with high density floppy drive, and MS Word 97 or later.

The computerized application was designed using a 12-point Times New Roman *proportionally-spaced* font. Other printers may have comparable fonts such as Times Roman, Dutch 801 Roman, Charter, etc., and these fonts should be suitable, but may format pages slightly differently.

INSTALLATION: After downloading the application files, be sure they are all on a separate directory. Save one set of files as the original >blank= forms and a second set of the completed files. As a safeguard, copy the files onto a separate floppy disk so you will have a back-up in the event of a hard disk problem.

COMPLETION OF THE APPLICATION: After installation, the next step is the completion of the application itself on the computer's hard disk within the PACE directory.

The files supplied are MS Word documents: *paceapp.doc*, *paceinsu.doc*; *pacehsd.doc*, and *paceread.doc*, which includes a description of each file.

To insert your responses in the Narrative chapters, simply position the cursor at the appropriate point for answering the question, and type in the answer. The rest of the application will "bump down" as you type, providing you as much space as needed.

Several tables are provided as separate files on the disk and should be filled in at their separate location. These are coded for small print size. (See Table Management below.) The Narrative sections instructs you on where to place hard copies.

Be sure to resave the document frequently as you progress.

TABLE MANAGEMENT: If you need copies of a table, you should create multiple blank tables within the same file, being sure to place a hard page break between each table. You can use the copy and paste functions to accomplish this task. Save the entire file, now containing two or more tables, with the original file name.

Repeat this process each time you need multiple tables within a single file.

PAGINATION is completely automatic within the Narrative part, so the user should not attempt to type in page numbers as ordinary text.

A NARRATIVE TABLE OF CONTENTS at the beginning of the application is created or updated every time you generate the Table of Contents. (See instructions below.) You should create or update the Table of Contents as the last step before actually printing the application for submission.

After you have created a Table of Contents within a document, any subsequent editing, no matter how minor, may alter the page numbering in the Table. For that reason, before you print your final version, regenerate a final Table of Contents.

PRINTING THE APPLICATION FOR SUBMISSION:

To generate the Table of Contents for the Narrative part, **place the cursor at the immediate left** of the word 'Chapter 1' on the Narrative Table of Contents page. Then:

click on **Insert** on the menu bar

select **Indexes and Tables...**

click on **Table of Contents** tab – the following should be selected:

check on **show page numbers** and **right align page numbers**

select **Tab leader ...**; select **Format 'from template'** ; **Show levels** should be **2**

click on **OK**; when asked if you want to replace the table of contents, select **yes**

To add the page numbers for the Documents table of contents, place cursor at the end of each line (using the End key) and type in the page number. Do not press enter, just place the cursor at the end of the next line for the next page entry.

Save the end result as XXXXXXXX.doc, with the Xs being an abbreviated applicant name.

When you are ready to submit your application, copy all completed files from the PACE directory on your hard disk to a blank diskette. Be certain not to further edit any file, either on hard disk or diskette to assure that the printed copy is identical to the diskette copy. Print each file and compile as directed in the narrative.

**Submit both the diskette and hard copies as directed in the general instructions.** Please clearly label the diskette with the applicant's name, date, and type of application.

GENERAL GUIDELINES FOR SUCCESS: Throughout the application, there are references to documents that are separate files on disk. Most of these files should be printed and placed in the hard copy of the application as directed, usually in a Documents part. However, simply leave the files as individual files on the diskette. Do not integrate the files into the application file on the diskette.

*! Each file deals with a specific topic only. Don't append material to any file that belongs elsewhere.*

*! Edit each file under its own file name.*

*! The files supplied have both visible and invisible Word codes. Don't delete any of these codes. Don't attempt to replace these files with new ones of your own creation (the codes will be lost).*

*! Pagination is automatic in the Narrative part; do not attempt to insert page numbers as text.*

This procedure is harder to describe than to perform -- it is not as complicated as it may seem!

**THE EXPANSION APPLICATION FORM FOLLOWS  
THIS PAGE**

**DO NOT SUBMIT THE PREVIOUS PAGES  
IN THE PRINTED COPY OF YOUR APPLICATION**

**CENTERS FOR MEDICARE AND MEDICAID SERVICES  
 CENTER FOR BENEFICIARY CHOICES  
 CENTER FOR MEDICAID AND STATE OPERATIONS  
 EXPANSION APPLICATION  
 PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY ~ PACE**

NAME OF LEGAL ENTITY  TRADE NAME (if different)	MAILING ADDRESS
AREA CODE TELEPHONE NO. EXTENSION	FAX
CEO OR EXECUTIVE DIRECTOR: NAME AND TITLE  TELEPHONE NUMBER	MAILING ADDRESS
APPLICANT CONTACT PERSON: NAME TITLE ADDRESS  E-MAIL FAX TELEPHONE NUMBER	

I certify that all information and statements made in this application are true, complete, and current to the best of my knowledge and belief and are made in good faith.

Signature, CEO / Executive Director

Date

## FOR USE BY STATE ADMINISTERING AGENCIES

Note: It is the responsibility of the PACE organization and the State Administering Agency (SAA) to validate the information contained in each application. The Director of the State Administering Agency must sign this certificate and submit it to CMS along with the complete PACE Organization application.

I certify that the entity described in this application is qualified to be a PACE provider.

I certify that the State of \_\_\_\_\_ is willing to enter into a program agreement with the entity described in this application.

I certify that this PACE Organization will have an enrollment limit of \_\_\_\_\_ participants (if state enrollment limit applies).

For expansions to additional PACE Centers, I certify that that the SSA will verify that the PACE Organization has qualified administrative and clinical staff employed or under contract prior to furnishing services to participants.

I certify that all other assurances previously submitted for this PACE organization are still in effect.

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Printed name and title

Signature

Date

|



## I. SERVICE AREA (§460.22)

Describe the service area the PACE Organization is requesting. The area may be identified by county, zip code, street boundaries, census tract, block or tribal jurisdiction. If entire county just list the county. If partial county list all zip codes in the service area. Provide a detailed map (with a scale) of the complete geographic area clearly showing the boundaries, main traffic arteries, any physical barriers such as mountains and rivers. Show location of the PACE center and hospital providers which will serve PACE participants. Show on map the mean travel time from the farther points on the geographic area boundary to the nearest ambulatory and institutional services site. Place the map in the Documents part. (Complete only if the organization is requesting an expanded service area.)

## II. CONTRACTED SERVICES (§460.70)

Provide a copy in the Documents part of the list, kept on file at the PACE Center, of all administrative and care-related contractors that have changed since the initial application.

## III. FINANCIAL (§460.80)

- A. In the Documents part, provide independently certified audited financial statements for the three most recent fiscal year periods or, if operational for a shorter period of time, for each operational fiscal year. If the PACE program is a line of business of the applicant, it should provide audited statements relating to the legal entity. Audits are to include:
  - 1. Opinion of a certified public accountant.
  - 2. Statement of revenues and expenses.
  - 3. Balance sheet.
  - 4. Statement of cash flows.
  - 5. Explanatory notes.
  - 6. Management letters.
  - 7. Statements of changes in net worth.
  - 8. Actuarially certified statement of incurred but not reported claims. (If required by State licensure.)
- B. In the Documents part, provide a copy of the most recent year-to-date unaudited financial statement of the entity.
- C. In the Documents part, provide independently certified audited financial statements of guarantors, and lenders (organizations providing loans, letters of credit or other similar financing arrangements, excluding banks).

- D. If the entity is a public corporation or subsidiary of a public corporation, provide in the Documents part the most recent Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, Form 10-K.

Quarterly balance sheets for the applicant, using accrual accounting in conformity with GAAP. The National Association of Insurance Commissioners (NAIC) Financial Report #1 format may be used if also required for State licensure.

Quarterly statements of revenues and expenses for the legal entity. *In cases where the plan is a line of business, the applicant should also complete a statement of revenue and expenses for the line-of-business.* Give projections in gross dollars as well as on a per member per month basis. Quarters should be consistent with standard calendar year quarters. Include year-end totals. If an organization has a category of revenue and/or expense that is not included in the present definitions, provide an explanation.

#### Quarterly Statements of Cash Flows

Statement and Justification of Assumptions - State major assumptions in sufficient detail to allow an independent financial analyst to reconstruct projected figures using only the stated assumptions. Include operating and capital budget breakdowns.

Stated assumptions should address all periods for which projections are made and include inflation assumptions. Justify assumptions to the extent that a knowledgeable reviewer would be convinced that they are reasonable. Describe hospital and health professional costs and utilization in detail.

#### IV. MARKETING (§460.82)

Provide copies of revised marketing materials as a result of the inclusion of the new service area, or new PACE center.

#### V. PACE CENTERS (§460.98)

Describe the location(s) of the PACE Center(s) in relation to its defined service area. How does the PACE Organization assure that there is sufficient capacity to allow routine attendance by participants?

#### VI. TRANSPORTATION (§460.76)

A. Describe how the transportation system has been modified to accommodate the proposed service area/site expansion.

B. Indicate changes in contracted transportation services and /or transportation services provided by employees.

VII. INTERDISCIPLINARY TEAM (§460.102)

- A. For expansions to additional PACE centers, describe how the members of the Interdisciplinary Team will be in place at the expansion site prior to service delivery.
- B. For expansions to facilities also serving non-PACE participants, please describe how the Interdisciplinary Team will serve primarily PACE participants, in accordance with §460.102(d)(3).

VIII. READINESS REVIEW

Any PACE organization opening a new PACE center must undergo a readiness review, which will be conducted by the State Administering Agency after this application has been submitted.